

Message Text

CONFIDENTIAL

PAGE 01 KUWAIT 01692 090735Z

13

ACTION EB-07

INFO OCT-01 NEA-10 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

SAM-01 OES-06 SP-02 SS-15 STR-04 TRSE-00 /093 W

----- 123348

R 081135Z APR 76

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 5086

INFO AMEMBASSY ABU DHABI

USINT BAGHDAD

AMCONSUL DHAHRAN

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY MANAMA

AMEMBASSY MUSCAT

AMEMBASSY TEHRAN

C O N F I D E N T I A L KUWAIT 1692

E.O. 11652: GDS

TAGS: ENRG, PINT, KU

SUBJ: REORGANIZATION OF KUWAITI OIL INDUSTRY

REF: 75 KUWAIT A-106

1. BEGIN UNCLASSIFIED. GOK MOVING FORWARD IN REORGANIZING OIL INDUSTRY. GOVERNMENT SEEMS TO BE NEARING DECISION TO ESTABLISH UMBRELLA COMPANY WHICH WOULD HAVE GENERAL SUPERVISORY AUTHORITY OVER KUWAIT OIL COMPANY (KOC), KUWAIT NATIONAL PETROLEUM COMPANY (KNPC), AND PETROCHEMICALS INDUSTRIES COMPANY (PIC). ACCORDING TO PRESS REPORTS, ABDUL RAZZAK MULLA HUSSEIN WILL BE THE CHAIRMAN OF THE NEW COMPANY AND THE CHAIRMEN OF KOC, KNPC, AND PIC WOULD BE MEMBERS OF THE BOARD. HOWEVER, ABD AL-BAQI NOURI, THE PIC CHAIRMAN HAS TENDERED HIS
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KUWAIT 01692 090735Z

RESIGNATION, AND THE LOCAL PRESS IS SPECULATING ABOUT

DISSATISFACTION IN THE OIL COMMUNITY HERE REGARDING THE
CHOICE OF HUSSEIN AS CHAIRMAN OF THE NEW COMPANY.
END UNCLASSIFIED.

2. BEGIN CONFIDENTIAL. COMMENT: AS NOTED IN REPAIR, OUR
ANNUAL REVIEW OF PETROLEUM DEVELOPMENTS, REORGANIZATION
OF THE OIL INDUSTRY HAS BEEN A MAJOR PREOCCUPATION OF
THE GOK OVER THE LAST YEAR OR SO. FOR SOME TIME NOW
OIL MINISTER KAZEMI HAS BEEN INDICATING THAT A NATIONAL
OIL COMPANY WITH BROAD INDUSTRY-WIDE RESPONSIBILITIES
WOULD BE ESTABLISHED, AND IT HAS BEEN GENERALLY ASSUMED
THAT HE WOULD PLACE HIMSELF IN A POSITION TO EXERCISE
HIS OWN AUTHORITY OVER THAT COMPANY AND THROUGH IT OVER
THE OIL INDUSTRY IN GENERAL.

3. WE HAD EXPECTED THAT KAZEMI WOULD NAME HIMSELF AS
CHAIRMAN. IN NOMINATING HUSSEIN, KAZEMI HAS APPARENTLY
DECIDED TO AVOID TAKING THIS STEP. HUSSEIN IS THE ASSIS-
TANT UNDERSECRETARY FOR TECHNICAL AFFAIRS AND CHIEF
PETROLEUM ENGINEER AT THE MINISTRY OF OIL. HE IS VERY
HIGHLY REGARDED BY THE OIL COMMUNITY IN KUWAIT, AND IN
THAT SENSE HIS SELECTION AS CHAIRMAN IS BOTH LOGICAL AND
WELCOME. ON THE OTHER HAND, SOME KUWAITIS WILL CONSIDER
HIM TO BE KAZEMI'S MAN AND THEY WILL CONSIDER THIS DEVELOP-
MENT TO BE ANOTHER BID BY KAZEMI TO EXTEND HIS POWER OVER
KUWAIT'S OIL INDUSTRY.

4. INEVITABLY THIS WILL RESULT IN A CERTAIN BACKLASH
AGAINST KAZEMI, AND IT REMAINS TO BE SEEN WHETHER
NOURI'S RESIGNATION AND THE QUIBBLING IN THE PRESS ARE
ISOLATED INCIDENTS OR WHETHER THEY WILL LEAD TO A
CHALLENGE OF KAZEMI'S GROWING POWER. GIVEN HUSSEIN'S
REPUTATION AND THE NEED TO IMPROVE THE ORGANIZATION OF
THE OIL INDUSTRY IN KUWAIT AND TO OPERATE IT ON SOUND
COMMERCIAL PRINCIPLES, WE ANTICIPATE THAT KAZEMI WILL
SUCCEED.

MAU

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM INDUSTRY, REORGANIZATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 08 APR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: greeneet
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976KUWAIT01692
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760134-0721
From: KUWAIT
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760484/aaaacthh.tel
Line Count: 98
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 KUWAIT A-106
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 03 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 JUN 2004 by ShawDG>; APPROVED <04 OCT 2004 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: REORGANIZATION OF KUWAITI OIL INDUSTRY
TAGS: ENRG, PINT, KU
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006